

## **Strathclyde Partnership for Transport**

### **Minute of Audit and Standards Committee meeting**

**13 June 2008**

held at Consort House, Glasgow

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## Minute of the meeting of the Strathclyde Partnership for Transport's Audit and Standards Committee held in Glasgow on 13 June 2008.

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- Present** Councillors Duncan MacIntyre (Chair), Bill Grant (deputy), Ian Gray, Tommy Morrison and appointed members Tom Hart and Bill Ure.
- Apologies** Councillor Bill McIntosh.
- Attending** Valerie Davidson, Secretary; Neil Wylie, Director of Finance; David Wallace, Director of Subway Operations; and Owen Hendry, Chief Internal Auditor.
- Also attending** John Anderson, Consultant Adviser, SPT and Grant Macrae, KPMG.

### 1. Minute of previous meeting

The minute of the meeting of 28 March 2008 (issued) was submitted and approved as a correct record.

Arising from the minute with regard to page 4 paragraph 6 (ii), Mr Wallace

- (1) advised members
  - (a) that the contract for the provision of a Subway staff bus had been re-tendered; and
  - (b) that as the current operator Puma had submitted the lowest tender, their existing contract had been extended for 12 months and would be reviewed after a 6 month period;
- (2) highlighted that the contract extension had included a price cap which would result in no increase in costs until an alternative solution for bus provision could be found;
- (3) outlined various alternative options which were being investigated to determine if there was a more efficient and cost effective solution for getting Subway staff to and from work during hours which were not serviced by other means of transport; and
- (4) explained that an analysis of users and journey requirements would be carried out to provide a clear understanding of the demand, routes and times of journeys to allow the better design of suitable transport provision.

After considerable discussion and having heard Mr Wallace in answer to members' questions, the committee agreed

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- (i) that the final recommendations for the future provision of a subway staff transport service would be reported to a subsequent meeting of the committee; and
- (ii) that a report would be submitted to the next meeting of the committee on the future provision of cycle lockers at railway stations.

## **2. Corporate Risk Register progress**

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There was submitted a report (issued) of 22 May 2008 by the Assistant Chief Executive (Business Support),

- (1) reminding members of the role of SPT's Risk Management Group which met quarterly to monitor and review the risks faced by SPT within its working environment;
- (2) highlighting various amendments to the Corporate Risk Register which had been made at a recent meeting of the Risk Management Group; and
- (3) appending a revised Corporate Risk Register which highlighted the 9 key risks currently identified for the organisation, together with their consequences, mitigating controls and assessed risk scores.

After discussion and having heard Mr Wylie in answer to members' questions, the committee approved the revised Corporate Risk Register.

## **3. Exclusion of press and public.**

The Partnership resolved that the press and public be excluded for the next item of business on the agenda, it being considered that otherwise there would be disclosure to them of exempt information in terms of paragraphs 1 and 14 of Part 1 of Schedule 7a to the Local Government (Scotland) Act 1973.

## **4. Business continuity arrangements progress**

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With reference to the minute of 28 March 2008 (page 2, paragraph 3) when the committee had noted, *inter alia*,

- (1) proposals to strengthen business continuity arrangements within SPT;
- (2) that the Business Continuity Plan for Consort House would be completed by April 2008; and
- (3) that such plans already existed for Subway and bus activities within SPT,

there was submitted a report (issued) of 22 May 2008 by the Assistant Chief Executive (Business Support),

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- (a) informing members that business continuity management
  - (i) was a corporate management system designed to minimise the potential disruption to specified business critical areas of SPT; and
  - (ii) provided SPT with the capability to respond positively, efficiently and rapidly to any given business interruption incident;
- (b) advising members
  - (i) that the plan for Consort House had now been completed; and
  - (ii) that an introductory meeting and the first table top exercise had been arranged during the month of June to test the plan; and
- (c) highlighting that although the business continuity plans for Subway and bus had been developed separately by the respective departments, it was intended that the business continuity plan for Consort House would be used as a template to align all of the business continuity plans within SPT.

After considerable discussion and having heard Mr Wylie advise members

- (A) that the first exercise had provided many learning points to build on; and
  - (B) that the current plan was available for inspection by members at the meeting,
- the committee noted the progress in SPT's business continuity plan for Consort House.

## 5. Internal Audit reports

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There was submitted a report (issued) of 20 May 2008 by the Assistant Chief Executive (Business Support),

- (1) appending a summary report from a recently completed audit review of the payroll system;
- (2) explaining that the remedial actions recommended in the report, together with implementation dates, had been agreed with the relevant departmental managers; and
- (3) concluding that, although the results of the audit work had shown that there was continuing improvement in the control frameworks, there were some areas where scope for improvement existed and these had been addressed by the audit recommendations.

After discussion and having heard Mr Hendry in answer to members' questions, the committee noted that internal audit would carry out a follow up review to confirm the implementation of the recommendations detailed in the report.

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## 6. Internal Audit Annual Report 2007/08

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With reference to the minute of 26 October 2006 (page 2, paragraph 4) when the committee had approved the Internal Audit Strategic Plan 2006/09, there was submitted a report (issued) of 22 May 2008 by the Assistant Chief Executive (Business Support), on the second year of the Plan which

- (1) compared actual activity with planned activity, demonstrated the extent to which the audit needs had been met and highlighted the significant findings to date;
- (2) commented on the soundness of SPT's internal controls which had been examined to date in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice; and
- (3) concluded that reasonable assurance could be placed upon the adequacy and effectiveness of the Partnership's internal control systems in the year to 31 March 2008.

After discussion and having heard Messrs Hendry and Macrae in answer to members' questions, the committee noted the internal audit annual report for 2007/08.

## 7. National Fraud Initiative

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With reference to the minute of the committee of 2 February 2007 (page 5, paragraph 3) when that committee had noted that SPT were participating for the first time in the National Fraud Initiative (NFI) which was a UK wide data matching exercise of computerised payroll, pension and benefit data held by Public Authorities, there was submitted and noted a report (issued) of 20 May 2008 by the Assistant Chief Executive (Business Support),

- (1) informing members
  - (a) that the local NFI results for the Partnership which had already been reported to members previously had been satisfactory; and
  - (b) that the monitoring arrangements for the exercise had been commented on favourably by the Partnership's external auditor; and
- (2) appending the national results for the recent NFI exercise which had been published by Audit Scotland.

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**8. Date of next meeting.**

It was agreed that the next meeting of the Audit and Standards would be held on Friday, 19 September, 2008 in Consort House, Glasgow at 12.30 pm following the meeting of the Strategy and Programmes Committee.